

(g) and (h) Revival packages for the functional units of the sick fertilizer companies under the administrative control of Department of Fertilizers, viz. Hindustan Fertilizer Corporation Limited (HFC) and Fertilizer Corporation of India Limited (HCI) have been reformulated from the standpoint of the financial institutions. The scope of the revival schemes is to be determined on considerations of viability and tie up of the funding arrangements.

[*Translation*]

Economic and Overhead Cost of Wheat and Rice

*295. SHRI NAWAL KISHORE RAI : Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the economic and overhead cost of wheat and different varieties of rice fixed by the Food Corporation has been continuously increasing during the last three years;

(b) if so, the details thereof;

(c) whether the Government have ascertained the causes for continuous increase in the rate of economic and overhead cost;

(d) if so, the details thereof;

(e) whether more expenditure is being incurred on the maintenance of foodgrains than the actual price of the foodgrains;

(f) if so, the reasons therefor; and

(g) the steps taken by FCI to reduce these costs?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI RAGHUVANS PRASAD SINGH) : (a) and (b) The break-up of the economic and overhead cost for wheat and rice during the years 1994-95 to 1996-97 was as follows:—

(Rate : Rs. Qtl.)

	1994-95	1995-96	1996-97 (RE)
WHEAT			
(A) Pooled Cost of grain	334.80	351.04	358.38
(B) Overhead Cost			
(i) Procurement incidentals	88.31	89.70	97.00
(ii) Carryover charges to State Agencies	22.51	30.61	43.94

	1994-95	1995-96	1996-97 (RE)
(iii) Distribution cost	105.51	112.60	118.82
ECONOMIC COST (A + B)	551.17	583.95	618.14
RICE			
(A) Pooled cost of grain	537.77	581.38	622.08
(B) Overhead Cost			
(i) Procurement incidentals	58.13	54.10	60.79
(ii) Distribution cost	98.81	127.34	131.83
ECONOMIC COST (A + B)	694.71	762.82	814.70

(c) and (d) These costs have increased mainly due to increase in the pooled cost of grains as a result of increase in the Minimum Support Price/naked cost of grains, as also *ad-valorem* increases in statutory charges and switch over to 50 kg. gunny packings and increase in carryover charges due to heavy procurement and less taking over of stock due to movement constraints.

(e) No, Sir.

(f) Does not arise.

(g) The following important steps have, *inter-alia* been taken by the FCI to reduce/contain these costs:—

- Setting the target of achieving average capacity utilisation of 75% even though the procurement of grain is seasonal;
- Adhering to the laid down procurement and movement ratio norm of 1:1.35 to reduce the expenditure on freight;
- Making continuous efforts to reduce shortages in handling of foodgrains and to reduce incurrence of demurrage charges; and
- Releasing of excess stocks in open market to save on interest and storage charges.

[*English*]

Infrastructure of Consumer Courts

*296. SHRI BANWARI LAL PUROHIT :
SHRI SHIVAJI VITHALRAO KAMBLE :

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the Union Government provide grants to State Governments for setting up and strengthening the infrastructure of consumer courts;